

**RULES
OF
HEALTH SERVICES AND DEVELOPMENT AGENCY**

**CHAPTER 0720-12
CERTIFICATE OF NEED PROGRAM – APPLICATION, DISCLOSURE OF
INFORMATION AND REPORTING REQUIREMENTS**

TABLE OF CONTENTS

0720-12-.01	Standard Application	0720-12-.04	Report of Change of Ownership of Licensed Institutions
0720-12-.02	Report of Bed Increases Not Requiring a Certificate of Need	0720-12-.05	Registration of Equipment
0720-12-.03	Replacement or Upgrade of Major Medical Equipment		

0720-12-.01 STANDARD APPLICATION.

- (1) Application for a certificate of need shall be made on form(s) provided by The Agency. The applicant must provide all information requested in the application forms. The information which may be required in the application form(s) includes, but is not necessarily limited to, the following:
 - (a) Facility identification, including legal interests and status, operator and owners;
 - (b) Detailed project description;
 - (c) Detailed project cost data;
 - (d) Detailed disclosure of anticipated financing mechanism;
 - (e) Project operating costs and revenues, patient charges, and occupancy rate;
 - (f) Information on the project's relationship to public needs and the existing health service system; and
 - (g) A copy of any signed agreement between the applicant and TennCare managed care organizations; if a signed agreement has not been executed prior to The Agency's consideration of the application, the applicant shall provide a list of any such organizations with whom the applicant is negotiating, or a statement that the applicant does not intend to contract with any TennCare managed care organization(s).
- (2) The accuracy of the information provided must be attested to by the responsible party or his agent in a notarized statement. Providing false, incorrect, misleading, or fraudulent information is grounds for revocation of the certificate of need.

Authority: T.C.A. §§ 4-5-202, 68-11-1605, 68-11-1607, and 68-11-1619. **Administrative History:** Original rule filed August 31, 2005; effective November 14, 2005.

0720-12-.02 REPORT OF BED INCREASES NOT REQUIRING A CERTIFICATE OF NEED.

- (1) Any nursing home or hospital which is increasing the number of its licensed beds without the necessity of obtaining a certificate of need, as provided by law, shall report such activity on forms provided by The Agency.

(Rule 0720-12-.02, continued)

- (2) Any nursing home or hospital reporting such increases must provide all information requested in the form(s). Information required to be provided by the forms may include, but not be limited to, the following:
 - (a) Facility identification;
 - (b) Number of licensed beds prior to the request;
 - (c) Number of beds being increased; and
 - (d) Anticipated date of licensure/certification.

Authority: T.C.A. §§ 4-5-202, 68-11-1605, and 68-11-1607. **Administrative History:** Original rule filed August 31, 2005; effective November 14, 2005.

0720-12-.03 REPLACEMENT OR UPGRADE OF MAJOR MEDICAL EQUIPMENT.

- (1) Any person claiming an exemption from the certificate of need requirements for the replacement or upgrade of major medical equipment shall report the replacement or upgrade on forms provided by The Agency.
- (2) Any person claiming the exemption must provide all information requested in the form(s). Information which may be required by the form(s) may include, but not be limited to the following:
 - (a) A description of the original equipment, and of the replacement or upgraded equipment;
 - (b) The cost of the original equipment and of the replacement or upgraded equipment, and whether the acquisition was by purchase, lease, or otherwise;
 - (c) The expected useful life of the original equipment, and of the replacement or upgraded equipment;
 - (d) The date of acquisition of the original equipment, and of the replacement or upgraded equipment; and
 - (e) The owner of the original equipment, and of the replacement or upgraded equipment.

Authority: T.C.A. §§ 4-5-202, 68-11-1605, and 68-11-1607. **Administrative History:** Original rule filed August 31, 2005; effective November 14, 2005.

0720-12-.04 REPORT OF CHANGE OF OWNERSHIP OF LICENSED INSTITUTIONS.

- (1) Notice of a change of ownership of a health care institution, occurring within two years of the date of initial licensure, must be reported to The Agency in writing. Any person reporting such a change of ownership must provide all information requested by The Agency. Such information which may be required may include, but not be limited to, the following:
 - (a) Identification of the current owner of the health care institution;
 - (b) Identification of the proposed new owner of the health care institution;
 - (c) Identification of the health care institution, the ownership of which is proposed to be transferred; and,

(Rule 0720-12-.04, continued)

- (d) The effective date of the proposed change of ownership.

Authority: T.C.A. §§ 4-5-202, 68-11-1605, 68-11-1607, and 68-11-1618. **Administrative History:** Original rule filed August 31, 2005; effective November 14, 2005.

0720-12-.05 REGISTRATION OF EQUIPMENT.

- (1) Ownership of computerized axial tomographers, lithotripters, magnetic resonance imagers, linear accelerators, positron emission tomography, and any other piece of equipment specified by law, must be made on forms provided by The Agency within ninety (90) days of acquisition of the equipment.
- (2) The person registering such equipment must provide all information requested in the form(s) provided by Agency staff. Information which may be required by the form(s) may include, but not be limited to, the following:
 - (a) Identification of the owner of such equipment;
 - (b) The location of the equipment, including facility identification;
 - (c) Whether the acquisition is by purchase, lease, or otherwise;
 - (d) The date of delivery of the equipment; and
 - (e) The expected useful life of the equipment.
- (3) All such equipment shall be filed on an annual inventory survey developed by Agency staff. The survey shall include, but not be limited to, the identification of the equipment and utilization data according to source of payment. The survey shall be filed no later than thirty (30) days following the end of each state fiscal year. The Agency is authorized to impose a penalty not to exceed fifty dollars (\$50) for each day the filing of the survey is late.

Authority: T.C.A. §§ 4-5-202, 68-11-1605, and 68-11-1607. **Administrative History:** Original rule filed August 31, 2005; effective November 14, 2005.